AMERICA INVENTS ACT
IMPLEMENTATION

Welcome

America Invents Act Roadshow

Monday, March 5, 2012

AMERICA INVENTS ACT
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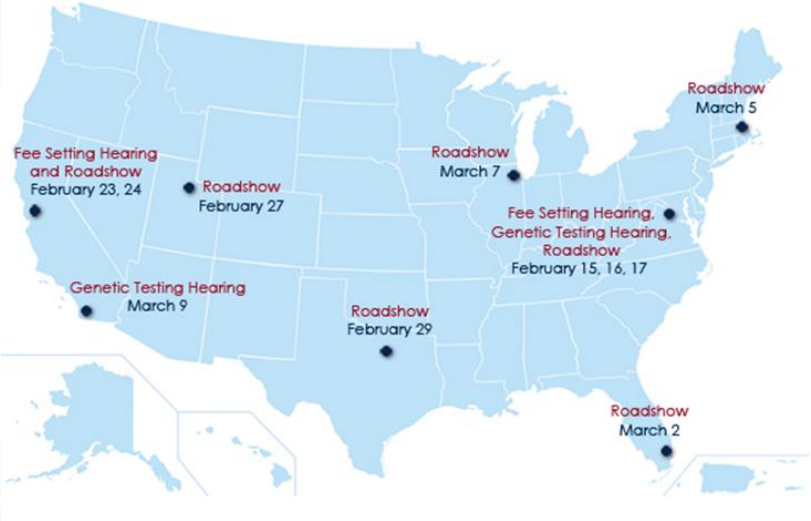
AIA Roadshows

Alexandria, Boston, Chicago, Dallas, Ft. Lauderdale, Salt Lake City, Sunnyvale



February to March 2012

Roadshow Agenda

Time	Topic
10 AM to 10:45 AM	Opening Remarks
10:45 AM to 11:15 AM	Patents: Pre-issuance Submissions and Inventor's Oath/Declaration
11:15 AM to 11:30 AM	BREAK
11:30 AM to 12:30 PM	Patents: Miscellaneous Post-Patent Provisions and Supplemental Examination
12:30 PM to 1:30 PM	LUNCH
1:30 PM to 2:45 PM	Board: Specific Rules for Post Grant Review, Inter Partes Review, the Transitional Program for Covered Business Methods, and Derivation
2:45 PM to 3:00 PM	BREAK
3:00 PM to 4:25 PM	Board: Umbrella Rules
4:25 PM to 4:30 PM	Concluding Remarks

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Introductory Remarks

Under Secretary and USPTO Director
David J. Kappos

AMERICA INVENTS ACT
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Status Report

Janet Gongola
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Overview of AIA Implementation

- Provisions of law to implement impacting USPTO
- Studies to report to Congress
- Programs to develop

Provisions of Law

- 20 provisions related to USPTO operations to implement
- 7 provisions implemented
- 9 provisions addressed in recent Notices of Proposed Rulemaking (NPRMs)
- 4 provisions under development

Implemented Provisions
(Effective on September 16, 2011 or within 60 days)

- Change in inter partes reexamination standard
- Tax strategies are deemed within the prior art
- Best mode
- Human organism prohibition
- Prioritized examination
- 15% transition surcharge
- Electronic filing incentive

Prioritized Examination

(Effective September 26, 2011)

- Original utility or plant patent application for expedited examination if:
  - $4,800 fee, reduced by 50% for small entity;
  - no more than 4 independent claims, 30 total claims, and no multiple dependent claims; and
  - must file application electronically (utility application)

- Does not apply to international, design, reissue, or provisional applications or in reexamination proceedings; may be requested for a continuing application and RCEs

- USPTO goal for final disposition is on average 12 months from date of prioritized status

Patent Related Notices of Proposed Rulemaking

(Effective September 26, 2011)

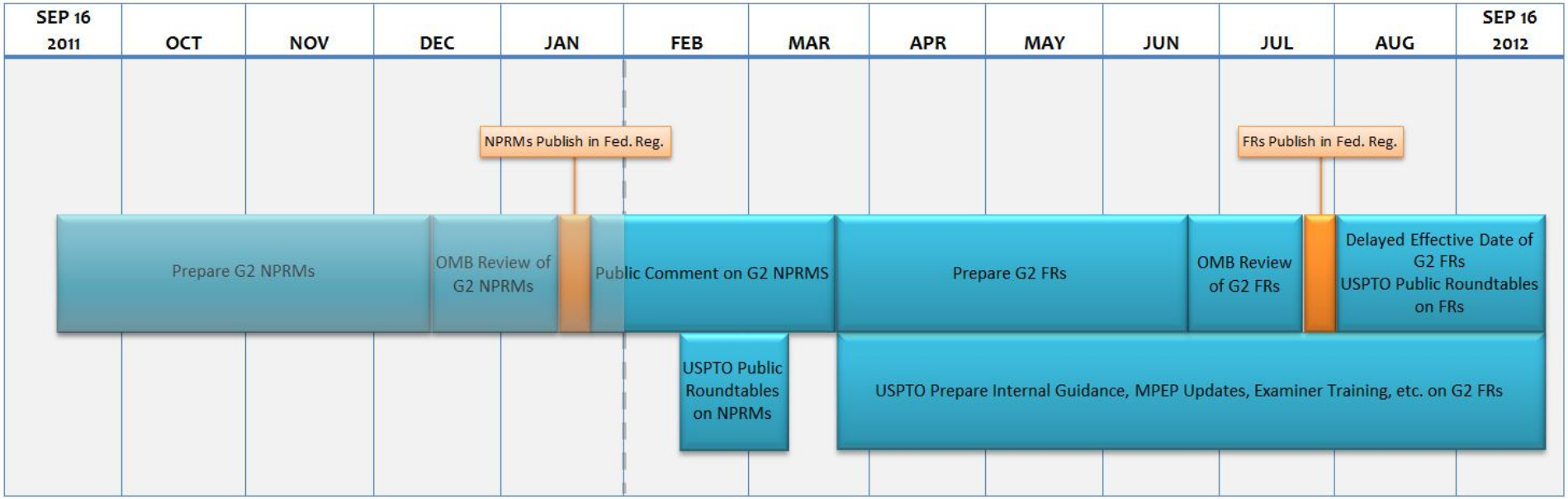
	AIA Provision	Notice	Comment Period End
1	**Inventor's Oath/Declaration**	Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 982 (Jan. 6, 2012)	March 6, 2012
2	**Preissuance Submissions**	Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act, 77 Fed. Reg. 448 (Jan. 5, 2012)	March 5, 2012
3	**Citation of Patent Owner Statement in a Patent File**	Changes to Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 442, (Jan. 5, 2012)	March 5, 2012
4	**Supplemental Examination**	Changes to Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and to Revise Reexamination Fees, 77 Fed. Reg. 3666 (Jan. 25, 2012)	March 25, 2012

Board Related Notices of Proposed Rulemaking

(Effective September 26, 2011, except Derivation)

	AIA Provision	Notice	Comment Period End
1	**Inter partes review**	Changes to Implement Inter Partes Review Proceedings, 77 Fed. Reg. 7041 (Feb. 12, 2012)	April 10, 2012
2	**Post-grant review**	Changes to Implement Post Grant Review Proceedings, 77 Fed. Reg. 7060 (Feb. 12, 2012)	April 10, 2012
3	**Transitional program for covered business method patents**	Changes to Implement Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 7080 (Feb. 12, 2012)	April 10, 2012
		Transitional Program for Covered Business Method Patents—Definition of Technological Invention, 77 Fed. Reg. 7095 (Feb. 12, 2012)	April 10, 2012
4	**Derivation**	Changes to Implement Derivation Proceedings, 77 Fed. Reg. 7028 (Feb. 12, 2012)	April 10, 2012
		Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 6879 (Feb. 11, 2012)	April 9, 2012
		Practice Guide for Proposed Trial Rules, 77 Fed. Reg. 6868 (Feb. 11, 2012)	April 9, 2012

12 Month Implementation Timeline

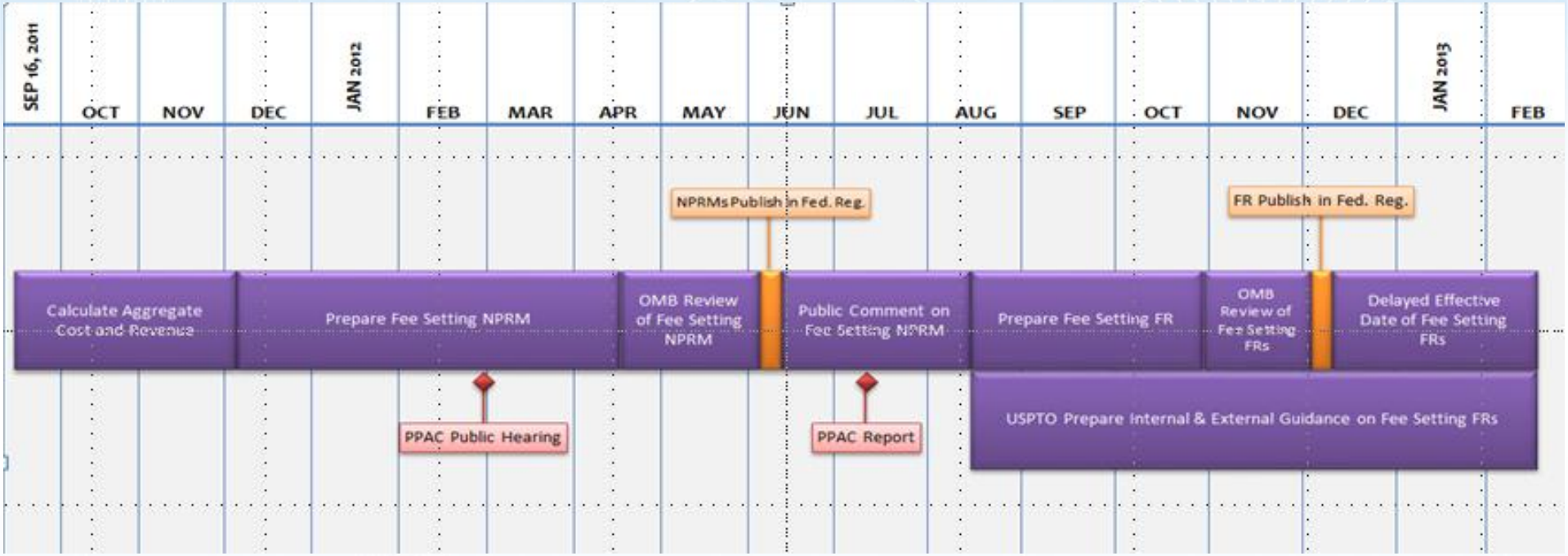


Fee Setting Authority
(Effective September 16, 2011)

- Authorizes the USPTO to set or adjust fees by rule for a period of 7 years

- Fees may be set to recover only the aggregate estimated cost of operations, including administrative costs

17 Month Implementation Timeline



Fee Setting Authority (cont.)

- USPTO released its preliminary proposed patent fee structure for PPAC Fee Setting Hearings
  - USPTO Transmittal Letter to PPAC for Patent Fee Proposal
  - USPTO Executive Summary: Patent Fee Proposal
  - USPTO Detailed Appendices: Patent Fee Proposal
  - USPTO Table of Patent Fee Changes
  - USPTO Aggregate Revenue Calculations
  - Aggregate Revenue Calculations (Excel version)

- PPAC posted questions about USPTO's preliminary proposed fee structure. See PPAC website: http://www.uspto.gov/about/advisory/ppac/index.jsp

Fee Setting Authority (cont.)

- 2 PPAC Fee Setting Hearings held
  - Patent Public Advisory Committee Public Hearings on the Proposed Patent Fee Schedule, 77 Fed. Reg. 4509 (Jan. 20, 2012)
  - Written comments due by February 29, 2012
- PPAC tentatively will issue report to USPTO by early June 2012
- USPTO will issue proposed fees in Federal Register in early June 2012
  - 60-day public comment period triggered

Genetic Testing Study

- USPTO to report on effective ways to provide independent, confirming genetic diagnostic tests where:
  - gene patents; and
  - exclusive licensing for primary genetic diagnostic tests

- Request for Comments and Notice of Public Hearings on Genetic Diagnostic Testing, 77 Fed. Reg. 3748 (Jan. 25, 2012)
  - Hearings:
    - February 16, 2012 @ USPTO
    - March 9, 2012 @ San Diego
  - Written comments due by March 26, 2012

- Report due by June 16, 2012

Satellite Offices

- USPTO required to open 3 satellite offices in 3 years
- Initial office planned for Detroit; opening 2012
- USPTO issued Federal Register Notice seeking public comments on the locations of the 2 other satellite offices
  - 626 comments received

AIA Microsite

- www.uspto.gov/AmericaInventsAct

Patents

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Note: Black font in slides reflects statutory requirements of the Amerca Invents Act; blue font in slides reflects proposed regulatory requirements with a proposed rule citation. Where the proposed rule mirrors statutory language, parallel statutory and proposed regulatory citations are provided.

AMERICA INVENTS ACT
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Pre-issuance Submissions and Inventor's Oath/Declaration

Overview

- Office Goals for Proposed Rules
- Key Points and Provisions

Preissuance Submissions Goals

- Statutory provision aims to improve the quality of examination and issued patents

- Proposed rule is designed to:
  - Promote efficient processing of submissions; and
  - Promote focused submissions of most relevant documents

Preissuance Submissions 35 U.S.C. 122(e)

- Allows any third party to submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application

- Preissuance submission must be timely made in writing and include:
  - Concise description of the asserted relevance of each document;
  - Fee prescribed by the Director; and
  - Statement that the submission is in compliance with 35 U.S.C. 122(e)

Preissuance Submissions Concise Description

- Explain why document has been submitted and how document is of potential relevance to examination:
  - Notice of Proposed Rulemaking identifies best practices related to the concise description

- Must be more than a bare statement that the document is relevant

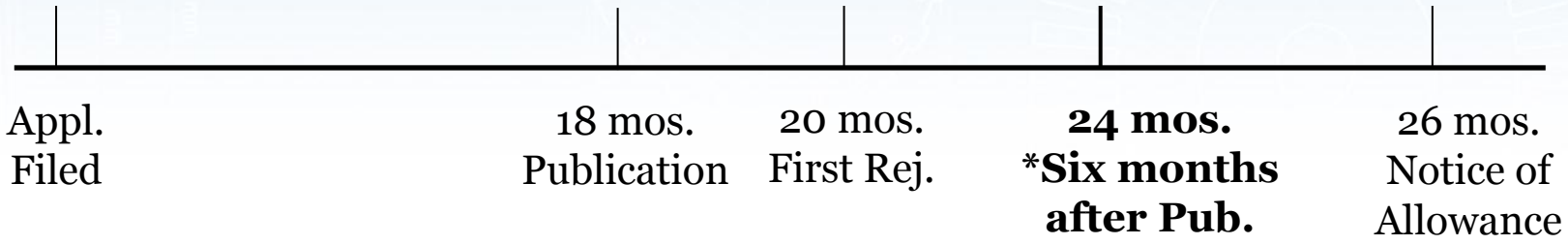
Preissuance Submissions Statutory Time Periods

- Must be made before the earlier of:
  - Date a notice of allowance is given or mailed; or
  - Later of:
    - 6 months after the date on which the application is first published by the Office; or
    - Date of the first rejection of any claim by the examiner

Preissuance Submissions Timing Example #1

*** Preissuance submission must be filed <u>before</u> this date**

Preissuance Submissions Timing Example #2



*** Preissuance submission must be filed <u>before</u> this date**

Preissuance Submissions Statutory Time Periods (cont.)

- Time periods cannot be waived because set by statute

- Submission is filed as of its date of receipt by the Office

- Cannot use certificate of mailing or transmission:
  - Reduce rework by examiners/applicants due to papers crossing in the mail § 1.290(i)

Preissuance Submissions Filing

- Third party not required to serve submission on applicant:
  - Challenges to service could negatively impact pendency
- No duty on applicant to reply to submission, absent a request by Office § 1.290(h)
- Office will not directly notify applicant of entry:
  - Contents of compliant submission to be made available to applicant via:
    - Entry of submission in application file wrapper
    - Copy of listing showing which documents considered (provided generally with next Office action)

Preissuance Submissions Proposed Fee

- $180 fee for every 10 documents listed or fraction thereof § 1.290(f)

- No fee for first submission of 3 or fewer total documents submitted:
  - "First and only" statement required
  - Encourages focused submissions

    § 1.290(g)

Preissuance Submissions Fee Example #1

- For a first submission by a third party in an application:
  - No fee for 3 or fewer documents (if accompanied by statement)
  - $180 for 4-10 documents
  - $360 for 11-20 documents

Preissuance Submissions Fee Example #2

- For a second or subsequent submission by the same third party in the same application:
  - $180 for 1-10 documents
  - $360 for 11-20 documents

Preissuance Submissions Examiner Consideration

- Examiner will consider submissions in the same manner as information in an IDS
- Considered documents will be printed on patent
- Third party is not permitted to respond to an examiner's treatment of a submission

Inventor's Oath/Declaration

Oath/Declaration Goals

- Simplify the current rules while assuring efficient examination and minimizing pendency

- Obtain inventive entity prior to examination on the merits

Requirements
Inventor Execution

- 35 U.S.C. 115(a) states in-part: Except as otherwise provided in this section, each individual who is the inventor or a joint inventor * * * shall execute an oath or declaration

- 35 U.S.C. 115(b)(1) requires that the oath/declaration must state that the application was made or authorized to be made by the affiant or declarant

Requirements (cont.)

- Oath/declaration must be submitted on filing or shortly thereafter and must identify each inventor. § 1.63(a)(2)
  - Determination of prior art and potential double patenting rejections
  - Accuracy of inventive entity
  - Pendency concerns
    - Potential rework
    - Potential delay of allowance

Assignment as Oath or Declaration

- 35 U.S.C. 115(e) provides for making the statements required in an oath or declaration in an assignment
- The requirement can be met by an assignment, § 1.63(c)(1), if:
  - It includes the statements required by § 1.63(a)-(b);
  - Copy of the assignment is filed in the application; and
  - Assignment is recorded against the application

Continuing Applications

- Copy of oath or declaration from parent application now permitted in a CIP application:
  - Newly named inventors must continue to provide an executed oath or declaration
  - Statements in oath or declaration must be true in CIP application. § 1.63(d)(1)

Reissue Oath/Declaration

- Claim broadened in any respect must be treated and identified as a broadened claim, even though the claim may be narrowed in another respect. § 1.175(b)
- Must identify each applicable reason that provides a statutory basis for reissue. § 1.175(a)
- Examples:
  - Defective specification or drawing;
  - Patentee claiming more than patentee had the right to claim; or
  - Patentee claiming less than patentee had a right to claim

Exceptions to Inventor Execution

- 35 U.S.C. 115(d)(2) provides for a substitute statement where an inventor is:
  - Deceased;
  - Legally incapacitated;
  - Unable to be found or reached after diligent effort; or
  - Refuses to sign

Exceptions to Inventor Execution (cont.)

- Oath/declaration for a deceased or incapacitated inventor may now be made by:
  - Legal representative;
  - Assignee;
  - A party to whom the inventor is under an obligation to assign; or
  - A party who otherwise shows sufficient proprietary interest

Priority and Benefit Claims

- A claim for foreign priority would need to be set forth in an application data sheet (§ 1.76):
  - Presence of the priority claim in the oath or declaration would no longer be sufficient. § 1.55(a)(1)(i)

- A claim for domestic benefit would need to be set forth in an application data sheet:
  - Presence of the benefit claim in the first sentence(s) of the specification would no longer be sufficient.

    §§ 1.78(a)(2)(iii), 1.78(a)(5)(iii)

Questions?

Break

AMERICA INVENTS ACT
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Miscellaneous Post Patent Provisions and Supplemental Examination

Miscellaneous Post Patent Provisions Overview

- Patent Owner Claim Scope Statements

- *Ex parte* Reexamination Estoppel

Miscellaneous Post Patent Provisions Goals

- Statutory provision permits the public to submit certain patent owner statements and "additional information" which bear on the scope of a claim of a particular patent
- Proposed rules are designed to:
  - Facilitate the filing of these statements;
  - Preserve the integrity of patent files;
  - Promote efficient processing of submissions;
  - Prevent improper consideration of submissions; and
  - Conserve USPTO resources

Patent Owner Claim Scope Statements

- Patent owner statements may be submitted into the file history of the patent if:
  - The statement was filed in a proceeding before a Federal court or the Office; and
  - Patent owner took a position on the scope of any claim in the patent

- Patent owner statements made outside a Federal court or Office proceeding are not eligible for submission. § 1.501(a)(2)

Submission of Prior Art and Written Statements

- A third party explanation must state how any prior art, patent owner statement(s), and additional information are applied to at least one claim of the patent

- A patent owner explanation may state how any prior art, patent owner statement(s), and additional information do not obviate patentability of any patent claim. § 1.501(b)(2)

Submission of Prior Art and Written Statements (cont.)

- A third party submission will not be entered into the file history of a patent unless it includes either:
  - Proof of service upon the patent owner; or
  - Proof of a *bona fide* attempt of service upon the patent owner. § 1.501(e)

- A third party submission into the file history of a patent can be made anonymously

Patent Owner Claim Scope Statements *Ex Parte* Reexamination

- Examiner will not use any submitted patent owner statement or additional information when deciding a request for *ex parte* reexamination. § 1.515(a)

- Examiner will use the broadest reasonable interpretation standard during the order stage of the proceeding for unexpired patents

Patent Owner Claim Scope Statements *Ex Parte* Reexamination (cont.)

- Examiner will consider any submitted patent owner statement, additional information, and explanation after *ex parte* reexamination has been ordered. § 1.552(d)

- Examiner will only consider any submitted patent owner statement, additional information, and explanation to determine the proper meaning of a claim

Ex Parte Reexamination Estoppel

- Request for *ex parte* reexamination must:
  - include a certification by the third party that the requester is not estopped from requesting an *ex parte* reexamination, § 1.510(b)(6); and
  - sufficiently identify the real party(ies) in interest so the Office can recognize when an *ex parte* reexamination cannot be maintained, § 1.510(b)(7)

Supplemental Examination Goals

- Provide patentees with an alternative to litigating inequitable conduct allegations
- Create a process that allows completion within the 3-month statutory time frame, and prompt resolution of any *ex parte* reexamination
- Avoid a post-patent process involving large submissions of unexplained documents (like IDS practice)

Supplemental Examination

- New 35 U.S.C. 257 provides that a patent owner may request supplemental examination of a patent to "consider, reconsider, or correct information" believed to be relevant to the patent

- Within 3 months from the filing date of the request, the Office must decide whether any of the items of information filed with the request raises a substantial new question of patentability

Supplemental Examination Inequitable Conduct Immunization

- Information considered, reconsidered, or corrected during supplemental examination cannot be the basis for rendering a patent unenforceable, except that this immunity does not apply
  - To allegations pled in a civil action or notice to the patentee before the date of the request for supplemental examination, and
  - Unless the supplemental examination and any resulting *ex parte* reexamination is completed before the civil action is brought by the patent owner

Supplemental Examination Filing of Papers

- Request for supplemental examination must be filed by the patent owner

- Third party may not request supplemental examination or participate in a supplemental examination

Supplemental Examination Request Requirements Summary

- Two primary components, § 1.610(b):
  - Identification of the patent and each aspect of the patent for which supplemental examination is sought
  - Identification of each item of information that raises an issue with respect to that aspect of the patent, including:
    - Whether the item was not considered, not adequately considered, or incorrect;
    - Why consideration, reconsideration, or correction is sought; and
    - A detailed explanation of each issue relative to the patent

Supplemental Examination Request Requirements

- List identifying each item of information on which the request is based and its publication date, if applicable
  - Information is not limited to patents and printed publications
  - Any information believed to be relevant to the patent may be submitted, *e.g.*, transcripts of audio or video recordings. § 1.610(b)(4)

Supplemental Examination Request Requirements (cont.)

- Statement that:
  - Identifies each item of information being submitted; and
  - Explains why consideration or reconsideration of the information is being requested, or how the incorrect information is being corrected. § 1.610(b)(4)(i)-(iii)

Supplemental Examination Request Requirements (cont.)

- Identification of each aspect of the patent for which supplemental examination is requested, including:
  - An identification of the structure/material/acts in the specification that correspond to each means or step-plus-function element in any claim for which supplemental examination is requested. § 1.610(b)(6)

Supplemental Examination Request Requirements (cont.)

- Identification of each issue of patentability raised by each item of information. § 1.610(b)(7)

- Explanation for each identified issue of:
  - How each item of information is relevant to each aspect of the patent requested to be examined; and
  - How the item of information raises the identified issue. § 1.610(b)(8)

Supplemental Examination Request Requirements (cont.)

- Copy of each listed item of information (except for U.S. patent and patent application publications), including
  - English translation of the pertinent parts of any non-English language document. § 1.610(b)(10)
- Summary of the relevant portions of any submitted document, other than the request itself, that is over 50 pages in length. § 1.610(b)(11)

Supplemental Examination Item of Information Limits

- Request may not include more than ten items of information. § 1.605(a)

- But more than one request for supplemental examination of the same patent may be filed at any time
  - USPTO must be able to make a timely decision whether to order *ex parte* reexamination

Supplemental Examination Conduct of Proceeding

- No amendment to any aspect of the patent may be filed in the supplemental examination proceeding

- If *ex parte* reexamination is ordered, an amendment may be filed after the issuance of the initial Office action in the *ex parte* reexamination proceeding

Supplemental Examination Conclusion of Proceeding

- Supplemental examination proceeding will conclude with the electronic issuance of the supplemental examination certificate

- Certificate will indicate the result of the Office's determination whether any item of information filed with the request raises a substantial new question of patentability

Supplemental Examination Publication of Certificate

- If a substantial new question of patentability is raised by one or more items of information in the request:
  - *ex parte* reexamination will be ordered
- If no substantial new question of patentability is raised by any of the items of information in the request:
  - *ex parte* reexamination will be not be ordered; and
  - reexamination fee for supplemental examination will be refunded

Supplemental Examination Procedure after Conclusion

- *Ex parte* reexamination regulations govern, except that:
  - patent owner will not have the right to file a patent owner statement under 37 CFR 1.530; and
  - reexamination is not limited to patents and printed publications or to subject matter added or deleted during reexamination

Supplemental Examination Conduct of Proceeding (cont.)

- If the Office becomes aware of a material fraud on the Office in connection with the patent under supplemental examination, then the matter will confidentially be referred to the U.S. Attorney General

- Office may take other action as set forth in 35 U.S.C. 257(e)

- Office regards "material fraud" to be narrower in scope than inequitable conduct

Fee Methodology

- Supplemental examination and reexamination fees set under 35 U.S.C. 41(d)(2) for cost recovery and not under Section 10 of the AIA
  - May later be adjusted when USPTO exercises Section 10 fee setting authority

- See Cost Calculations for Supplemental Examination and Reexamination (January 25, 2012), available at http://www.uspto.gov/aia_implementation/cost_calc_supplemental_exam.pdf

Supplemental Examination Fees

- A request for supplemental examination must include payment of the following fees:

Service	Cost
Filing fee (for processing and treating a request for supplemental examination)	$ 5180
Reexamination fee (for ex parte reexamination ordered as a result of supplemental examination)	$16,120
TOTAL	**$21,300**
REFUND (if the Office decides not to order an ex parte reexamination proceeding)	**$16,120**

- Plus any applicable document size fees for processing and treating, in a supplemental examination proceeding, a non-patent document over 20 sheets in length

Ex Parte Reexamination Fees

- A request for ex parte reexamination must include payment of the following fees:

Service	Cost
Filing a request for ex parte reexamination	$17,750
For processing and treating a request for ex parte reexamination up to and including the decision refusing ex parte reexamination (**included** in the $17,750 fee for filing a request for ex parte reexamination)	$ 4,320
REFUND if the Office decides not to order an ex parte reexamination proceeding	**$13,430**

Questions?

Lunch

Welcome Back

AMERICA INVENTS ACT
IMPLEMENTATION

Patent Trial and Appeal Board

Chief Judge James Donald Smith

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Vice Chief Judge Jay Moore

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Note: Black font in slides reflects statutory requirements of the America Invents Act; blue font in slides reflects proposed regulatory requirements with a proposed rule citation. Where the proposed rule mirrors statutory language, parallel statutory and proposed regulatory citations are provided.

Overview

- Overview of Board AIA Proceeding Structure
- Discussion of Proceeding-Specific Rules
  - *Inter Partes* Review (IPR)
  - Post-Grant Review (PGR)
  - Transitional Program for Covered Business Method Patents (CBM)
  - Derivation
- Discussion of Umbrella Rules and Practice Guide

Considerations in Formulating Proposed Rules

- **AIA provides that the Office consider the effect of the regulations on the economy, the integrity of the patent system, the efficient operation of the Office, and the ability to timely complete the proceedings. 35 U.S.C. 316(b), 326(b).**

- Legislative history provides that proceedings reflect a quick, effective and efficient alternative to often costly and protracted district court litigation.

Board AIA Proceeding Structure

- AIA provides for same basic structure for all the AIA Board proceedings.
- Proceedings begin with petition.
- The Board may institute a trial on Director's behalf where a petition satisfies statutory thresholds.
- Trial is conducted on the merits. An amendment and response to petition may be filed during trial.
- Trial concludes in a final written decision unless otherwise terminated, *e.g.*, settlement.

Basic AIA Proceeding Terminology

- **Proceeding**: The statutory term "proceeding" is used in the AIA to describe both the four new review processes at the Board and the activities that occur during a review. § 42.2.
  - For example, 35 U.S.C. 325(d) refers to derivations, post-grant reviews, and *inter partes* reviews as "proceedings."

- **Petition**: The statutory term "petition" means the request to institute one of the new proceedings. § 42.2. *See*, *e.g.*, 35 U.S.C. 311.

Basic AIA Proceeding Terminology

- **Trial**: The term "trial" refers to the portion of a proceeding after the Board has determined that a petition meets the threshold requirements for instituting the review. § 42.2.
  - The term comes from the new statutory title of the Board: the Patent Trial and Appeal Board. 35 U.S.C. 6

- **Motion**: The statutory term "motion" means the mechanism for a party to seek relief. § 42.2.
  - For example, 35 U.S.C. 326(a)(1) permits a motion to seal a document and 35 U.S.C. 326(d) permits a motion to amend.

Specific Contested Case Rules

Inter Partes Review

- IPR statutes effective 9/16/2012. § 6(c) of AIA.
- All patents are eligible for an IPR – both first to invent and first inventor to file. § 6(c)(2)(A) of AIA.
- A person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent may file an IPR. 35 U.S.C. 315(a)(1); § 42.101.

Inter Partes Review

- A petitioner in an IPR may request to cancel, as unpatentable, 1 or more claims of a patent only on a ground that could be raised under 35 U.S.C. 102 or 103 and only on the basis of prior art consisting of patents or printed publications. 35 U.S.C. 311(b); § 42.104(b)(2).

- An IPR petition cannot be filed until after the later of: 1) 9 months after the grant of a patent or issuance of a reissue of a patent; or 2) the date of termination of any post grant review of the patent. 35 U.S.C. 311(c); § 42.102(a).

Inter Partes Review

- Petition must:
  - Be accompanied by a fee. 35 U.S.C. 312(a)(1); § 42.15; 42.103.
  - Identify all real parties in interest. 35 U.S.C. 312(a)(2); § 42.8.
  - Identify all claims challenged and grounds on which the challenge to each claim is based. 35 U.S.C. 312(a)(3); § 42.104(b).
  - Provide a claim construction and show how the construed claim is unpatentable based on the grounds alleged. § 42.104(b).
  - Identify the exhibit number of the supporting evidence relied upon to support the challenge and state the relevance of the evidence. § 42.104(b)(5).
  - Provide copies of evidence relied upon. 35 U.S.C. 312(a)(5); § 42.6(c).

Inter Partes Review

- A patent owner may file a preliminary response to the petition to provide reasons why no IPR should be instituted. 35 U.S.C. 313; § 42.107(a).
- Preliminary response is due 2 months from petition docketing date. § 42.107(b).
- General rule is that preliminary response may present evidence other than testimonial evidence. § 42.107(c). Testimonial evidence and discovery may be provided where necessary (case-by-case basis). For example, to demonstrate that petitioner's real party in interest is estopped from challenging patent claims.

Inter Partes Review

- An IPR Petition must demonstrate a reasonable likelihood that petitioner would prevail as to at least one of the claims challenged. 35 U.S.C. 314(a); § 42.108(c).
- Where IPR standards are met, the Board will institute the trial on: 1) claim-by-claim basis; and 2) ground-by-ground basis. § 42.108(a) and (b).
- An IPR trial will be completed within one year from institution, except the time may be extended up to six months for good cause. 35 U.S.C. 316(a)(11); § 42.100(c).

Inter Partes Review

- A patent owner may file a response to petition addressing any ground for unpatentability not already denied. In submitting a response, the patent owner must file, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response. 35 U.S.C. 316(a)(8); § 42.120.

Inter Partes Review

- A patent owner may file one motion to amend a patent subject to the standards and procedures set by the Office. 35 U.S.C.316 (a)(9), (b); § 42.121(a).
  - Amendments may cancel any challenged claim and/or propose a reasonable number of substitute claims. 35 U.S.C.316 (a)(9), (d); § 42.121(a).
  - Additional motions may be filed if authorized. 35 U.S.C.316 (d)(2); § 42.121(a).
- Upon conferring with the Board, a patent owner may file a motion to amend. A motion to amend may be limited to prevent abuse and to aid in efficient administration and timely completion of the proceeding. 35 U.S.C. 316(b); § 42.121(a).

Post Grant Review

- Most aspects of PGR and IPR are effectively the same.
  - For example,
    - Petition – the requirements for a petition are essentially the same.
    - Preliminary Patent Owner Response – requirements are essentially the same.
    - Patent Owner Response (after institution) - requirements are essentially the same.
    - Amendments – requirements are essentially the same.

Post-Grant Review

- There are some differences between a post-grant review and an *inter partes* review. For example,
  - With limited exceptions, only those patents issuing from applications subject to first-inventor-to-file provisions of the AIA (effective 3/16/2013). § 6(f)(2) of AIA.
  - PGR allows challenges based on §§ 101, 102, 103 and 112, except best mode. 35 U.S.C. 321(b); § 42.204(b)(2).
  - PGR may only be requested on or prior to the date that is 9 months after the grant of a patent or issuance of a reissue patent. 35 U.S.C. 321(c); § 42.202(a).
  - Petition must demonstrate that it is more likely than not (*i.e.*, a higher threshold than IPR) that at least one of the claims challenged in the petition is unpatentable. 35 U.S.C. 324(a); § 42.208(c).

Covered Business Methods

- **Generally, employs PGR Procedures and Standards.**
- Section 18(a)(1) of the AIA provides that CBM reviews will employ the standards and procedures of a PGR subject to certain exceptions. § 42.300(a).

Covered Business Methods

- Differences between a covered business method review and a post grant review include:
  - Cannot file CBM during time a PGR could be filed, *i.e.*, 9 months after issuance of a patent. § 18(a)(2) of AIA; § 42.303.
  - Petitioner must be sued or charged with infringement. § 18(a)(1)(B) of AIA; § 42.302(a).
  - Petitioner has burden of establishing that patent is eligible for CBM review. § 42.304(a).
  - Petitioner must certify that it is not estopped from proceeding. § 42.304(a).

Covered Business Methods

- More differences:
  - Eligible Patents
    - Must be a business method patent. Covered business method patent generally defined in statute as method or corresponding apparatus for performing data processing or other operations for financial product or service. § 18(d)(1) of AIA; § 42.301(a).
    - Business method patent definition excludes patents for technological inventions. § 18(d)(1) of AIA. Technological invention is defined in separate rule package – § 42.301(b).
    - Both first to invent and first inventor to file patents are eligible. §§ 6(f)(2)(A) and 18(a)(1) of AIA.
  - Prior Art is limited when challenging a first-to-invention patent. § 18(a)(1)(C) of AIA.

Covered Business Methods: Technological Invention

- Proposed rule 42.301(b) provides that **solely** for purposes of a CBM review the following will be considered on a case-by-case basis to determine if a patent is for a "technological invention":
  - whether the claimed subject matter as a whole:

    (1) recites a technological feature that is novel and unobvious over the prior art; and

    (2) solves a technical problem using a technical solution.

Derivation

- AIA derivation petition requirements differ from IPR, PGR and CBM.

  1) Only an applicant for patent may file a petition to institute a derivation proceeding. § 42.402.

  2) The petition must set forth with particularity the basis for finding that an inventor named in an earlier application or patent derived the claimed invention. § 42.405(b)(2).

  3) The petition must be filed within 1 year of the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention. 35 U.S.C. 135(a), as amended. § 42.403.

Derivation

- Under proposed rule 42.405, a derivation petition must:
  - Identify the application or patent for which a derivation is sought.
  - Certify that the petition was filed within the one year time set by statute.
  - Demonstrate that the petitioner has a pending application.
  - Show that the petitioner has at least one claim that is the same or substantially the same as the respondent's claimed invention.

Derivation

- Under proposed rule 42.405, a derivation petition must (continued):
  - Show that the respondent's claimed invention is not patentably distinct from the invention disclosed (directly or indirectly) to the respondent.
  - Certify that the earlier application was filed without authorization.
  - Provide a claim construction for the disputed claims.
  - Provide substantial evidence, including one affidavit, in support of the petition to show how the invention was communicated to the respondent.

Derivation

- A derivation is not likely to be instituted, even where the Director thinks the standard for instituting a derivation proceeding is met, until a patent with the claimed invention issues.

- Unlike IPR/PGR/CBM, the parties to a derivation proceeding may resort to binding arbitration but the Office is not bound by, and may independently determine, any question of patentability. 35 U.S.C. 135(f); § 42.410.

Questions?

Break

Umbrella Contested Case Rules

Umbrella Rules

- Per statutory requirements, real parties in interest will have to be provided. *See*, *e.g.*, 35 U.S.C. 312(a)(2), 322(a)(2); § 42.8(b)(1).
- Practice Guide (Section **I.** *D)* provides factors that may be considered in determining whether a party constitutes a real party in interest or privy.
- Additionally, both petitioner and patent owner will be required to provide a certain level of information necessary to conduct the proceeding including related proceedings, lead and backup counsel, and contact information (email addresses and phone numbers). § 42.8(b).

Umbrella Rules

- Practice Before the Office in the New Board Proceedings
  - The Board may recognize counsel pro hac vice during a proceeding upon a showing of good cause, subject to such conditions as the Board may impose (42.10(c)), such as agreeing to be bound by the Office's Code of Professional Responsibility.
  - Similarly, the Board may take action to revoke pro hac vice status, taking into account various factors, including incompetence, unwillingness to abide by the Office's Code of Professional Responsibility, and incivility. § 42.10.

Umbrella Rules

- For IPR, PGR, and CBM, the Director is required to set the fees to be paid by the third party requesting review "in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review." 35 U.S.C. 311, 321; § 42.15.
  - Consistent with statute, the proposed fees are set at a cost recovery level and are promulgated under the Office's 35 U.S.C. 41(d)(2) cost recovery fee setting authority.
  - New AIA Section 10 fee setting authority will allow for Office-wide fee setting, but is the subject of a separate rule package, which will not be promulgated in time for the 9/16/12 implementation date for IPR, PGR, and CBM.

Umbrella Rules

- Average Fee for IPR
  - $35,800 is the estimated cost to Office for an IPR proceeding
- Average Fee for PGR
  - $47,100 is the estimated cost to Office for a PGR proceeding
- The number of claims impacts the complexity of the proceeding.

Umbrella Rules

- A review of 3 months of IP Reexamination requests revealed:
  - The Office received 60 total requests:
    - 40 requests had 20 claims or less
    - 20 requests had over 20 claims:
      - 8 requests had between 21-30 claims
      - 3 requests had between 31-40 claims
      - 6 requests had between 41-50 claims
      - 1 request each between 51-60, and 61-70 claims
      - 1 request had 95 claims

Umbrella Rules

- The proposed fees are as follow:
  - The proposed fees are set based on the number of claims challenged with a base fee set for the first 20 claims and fees escalating for each additional 10 claims. *See* 77 Fed. Reg. 6879, 97 (February 9, 2012).
  - Proposed base IPR fee is $27,200 (based on recover cost of ~100 hours of Judge time plus IT costs) with proposed escalating fees such that 51 to 60 claims will be $68,000.

Umbrella Rules

- The proposed fees are as follow (continued):
  - Proposed base PGR/CBM fee is $35,800 (based on recover cost of ~ 130 hours of Judge time plus IT costs) with proposed escalating fees such that 51 to 60 claims will be $89,500.
  - Derivation statute does not require a fee for the petition. Office proposes to charge $400 to cover the costs of initial processing for the petition.
  - To avoid escalating fees, a party may seek to file two or more petitions where each petition is carefully tailored to the specific claims challenged.

Umbrella Rules

- Although proceedings begin with the filing of a petition, a party seeks additional relief by motion.
  - AIA provides that additional relief may be requested by the filing of a motion. *See*, *e.g.*, 35 U.S.C. 326(a)(9), 326(d); § 42.20.
  - A judge will be assigned to each proceeding. Parties seeking additional relief may contact the judge and request relief. A judge may decide the requests during the call, thereby increasing speed and efficiency of the proceeding and reducing costs to the parties.
- A party may rebut an opponent's motion by filing an "opposition." A party seeking to respond to an "opposition" may file a "reply." *See*, *e.g.*, § 42.23, 42.25.

Umbrella Rules

- Protection of Confidential Information
  - AIA provides that the file of a proceeding is open to the public, except that a party may seek to have a document sealed by filing a motion to seal. *See*, *e.g.*, 35 U.S.C. 316(a)(1); § 42.14; 42.55.
  - AIA also provides for protective orders to govern the exchange and submission of confidential information. *See*, *e.g.*, 35 U.S.C. 316(a)(7); § 42.55. Parties seeking a protective order may file a motion to seal accompanied by either a proposed protective order or a request to enter the Board's proposed default protective order. (*See* Practice Guide).

Umbrella Rules

- Time frame for completing a trial
  - A final written determination is to be made no more than 1 year after an IPR, PGR, or CBM trial has been instituted, except that the time may be extended up to six months for good cause. *See*, *e.g.*, 35 U.S.C. 316(a)(11); § 42.100(c).
  - The Board expects to enter a Scheduling Order concurrent with a decision to institute the trial and to conduct a conference call about one month from institution. (*See* Practice Guide).

Umbrella Rules

- Time frame for completing a trial (continued)
  - A Scheduling Order would set due dates taking into account the complexity of the proceeding. For example, a Scheduling Order for an IPR may include:
    - 4 months for patent owner response to petition and amendment,
    - 2 months for petitioner reply to response and opposition to amendment,
    - 1 month for patent owner reply to petitioner's opposition to amendment,
    - 2-3 months for motions to exclude evidence and oral hearing, and
    - 2 months for final written decision.

Umbrella Rules

- Reduction of burdens on the parties
  - The proposed rules lay out a framework for conducting the proceedings aimed at streamlining and converging the issues for decision.
  - Rules streamlining the procedure include the use of page limits and electronic filing as the default manner in which documents are filed. § 42.6(b), 42.24.
- Board will conduct the proceeding so as to reduce the burdens
  - Conference calls with a judge handling the case to decide issues quickly and efficiently and to avoid the burdens associated with filing requests for relief. § 42.20(b).
  - Instituting a trial on a claim-by-claim, ground-by-ground basis. § 42.108(b).

Umbrella Rules

- Testimony and document production is permitted
  - AIA authorizes the Office to set standards and procedures for the taking of discovery. *See*, *e.g.*, 35 U.S.C. 316(a)(5), 326(a)(5).
  - The proposed rules allow for two types of discovery: routine discovery and additional discovery. § 42.51(b), (c).

Umbrella Rules

- Routine discovery – reduces costs to parties by making basic information readily available at the outset of the proceeding. Routine discovery may assist the parties to assess the merits of their respective positions, to avoid harassment in the proceeding, or to reach settlement. § 42.51(b).

- Routine discovery includes:
  - documents cited,
  - cross-examination for submitted testimony, and
  - information inconsistent with positions advanced during the proceeding. § 42.51(b).

Umbrella Rules

- Additional discovery – a party must request any discovery beyond routine discovery.
- A party seeking additional discovery in IPR and derivation must demonstrate that the additional discovery is in the interests of justice. *See*, *e.g.*, 35 U.S.C. 316(a)(5) for IPR; § 42.51(c).
- A party seeking additional discovery in PGR and CBM will be subject to the lower good cause standard. *See*, *e.g.*, 35 U.S.C. 326(a)(5) for PGR; § 42.224.
- Live testimony – the Board may authorize, where critical, to assess credibility. For example, a Judge may attend a deposition in appropriate instances. § 42.53(a).

Umbrella Rules

- Sanctions are available for abuse of the proceeding
  - AIA requires the Office to prescribe sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or cause unnecessary delay or an unnecessary increase in the cost of the proceeding. 35 U.S.C. 316(a)(6), 326(a)(6); 37 CFR 10 & 11.
- Proposed sanctions (42.12) include:
  - order holding facts to have been established
  - order expunging a paper
  - order excluding evidence
  - order precluding a party from obtaining, opposing discovery
  - order providing from compensatory expenses, including attorney fees
  - judgment or dismissal of the petition

Umbrella Rules

- Oral hearings
  - AIA permits a party to request an oral hearing as part of the proceeding. 35 U.S.C. 316(a)(10), 326(a)(10); § 42.70.
  - The length of the hearing will be set on a case-by-case basis taking into account the complexity of the case.

Umbrella Rules

- Settlement
  - AIA encourages settlement in IPR/PGR/CBM/Derivation by allowing the parties to settle.
  - A settlement in IPR/PGR/CMB terminates the proceeding with respect to the petitioner and the Board may terminate the proceeding or issue a final written decision. 35 U.S.C. 317, 327; § 42.73, 42.74.
  - A settlement in derivation will be accepted by the Board unless it is inconsistent with the evidence of record. 35 U.S.C. 135(e); § 42.73, 42.74.

Umbrella Rules

- Final decision where the case is not dismissed due to settlement
  - AIA provides that where an IPR/PGR/CBM trial is instituted, and not dismissed, the Board shall issue a final written decision. The decision shall address the patentability of any claim challenged and any new claim added. 35 U.S.C. 318(a), 328(a); § 42.73.
  - For derivation, the Board shall issue a written decision that states whether an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application without authorization. 35 U.S.C. 135(b); § 42.73.

Umbrella Rules

- Petitioner Estoppels After Final Written Decision
  - A petitioner in an IPR/PGR/CBM may not request or maintain a proceeding before the Office with respect to any claim on any ground raised or reasonably could have been raised. 35 U.S.C. 315(e)(1), 325(e)(1); § 42.73(d)(1).
  - A petitioner in an IPR/PGR/CBM may not assert in district court or the ITC that a claim is invalid on any ground petitioner raised, and in IPR/PGR, any ground that reasonably could have been raised. 35 U.S.C. 315(e)(2), 325(e)(2); § 18(a)(1)(D) of AIA.

Umbrella Rules

- **Patent Owner Estoppel**
  - A patent owner whose claim is cancelled is precluded from taking action inconsistent with the adverse judgment including obtaining in any patent a claim to substantially the same invention. § 42.73(d)(3).
- **Derivation Specific Estoppel**
  - In a derivation, a losing party who could have moved for relief, but did not so move, may not take action inconsistent with that party's failure to move. Where a party receives a split judgment (wins on one claimed invention, loses on another), estoppel does not attach to the subject matter for which a favorable judgment was obtained. § 42.73(d)(2).

Umbrella Rules

- Rehearing and Appealing Board Decisions
  - A party dissatisfied with a non-final or final decision may file a request for rehearing with the Board. The request must specifically identify all matters the party believes the Board misapprehended or overlooked. § 42.71(c).
  - A party dissatisfied with the final written decision in an IPR/PGR/CBM may appeal to the Federal Circuit. 35 U.S.C. 319, 329. A party dissatisfied with a final decision in a derivation may appeal to the Federal Circuit, 35 U.S.C. 141(d), or have remedy by a civil action, 35 U.S.C. 146. § 90.2.

Questions?

Closing

Written Comments

Topic	Comment Email	Deadline
Inventor's Oath/Declaration	Oath_declaration@uspto.gov	March 6, 2012
Preissuance Submission	preissuance_submissions@uspto.gov	March 5, 2012
Citation of a Patent Owner Statement in a Patent File	Post_patent_provisions@uspto.gov	March 5, 2012
Supplemental Examination	Supplemental_examination@uspto.gov	March 26, 2012

Written Comments

Topic	Comment Email	Deadline
Post Grant Review	post_grant_review@uspto.gov	April 10, 2012
Inter Partes Review	inter_partes_review@uspto.gov	April 10, 2012
Transitional Program for Covered Business Methods	TPCBMP@uspto.gov	April 10, 2012
Definition of Technological Invention	TPCBMP_Definition@uspto.gov	April 10, 2012
Derivation	derivation@uspto.gov	April 10, 2012
Umbrella Rules and Trial Practice Guide	patent_trial_rules@uspto.gov	April 9, 2012

Thank You!